

Paseo Master Association  
Treasurer's Report

Based on Unaudited December 31, 2020 Financial Statements (HOA meeting of January 27, 2021)

The Paseo HOA had an operating surplus of \$687,749 which is \$38,349 in excess of what is recommended by our professionals (two months of 2021 assessments).

The replacement reserves were \$679,756 at 12.31.19 and increased to \$1,306,163 as of 12.31.20. Assessments of \$418,608 along with interest of \$4,574 were added to the reserves. The board also approved a \$700,000 transfer from operations. Total expenditures of (\$496,775) were charged against the reserves during the calendar year.

The working capital fund was \$86,684 at 12.31.19. Year to date capital contributions of \$219,000 were added to the fund. (\$169,529) of special projects were expensed leaving a balance of \$136,155 as of 12.31.20.

For the month, the association had a loss of (\$14,695) against a budget of (\$12,668) for a negative variance of (\$2,027). Food and beverage missed budget by (\$8,369). Salaries, excluding food and beverage, exceeded budget by \$12,583. Maintenance, due to the elevator repair was over budget by (\$13,466).

For the year, the association had an income of \$801,355 against a budget of \$573,271 for a positive variance of \$228,084. Food and beverage exceeded budget by \$10,248, maintenance (including labor) exceeded budget by \$38,046 and administration (including labor) exceeded budget by \$43,076. Most other departments were under budget due to the reduction in operations due to Covid-19.

For the year, food and beverage had a direct loss of (\$381,070) against a budget of (\$391,318) for a positive variance of \$10,248. Please note that sales are (\$344,117) under budget year to date.

Please note that KW and our auditors have determined that Paseo will not record any expense for the five free months of Hotwire service that started on April 21, 2020. We have elected to show the budget variances as if we didn't budget the imputed expense for bulk cable. The actual budget variance has been and will be considerably higher than what is reported in the treasurer's report.

Paseo Master HOA  
Balance Sheet  
As of 12.31.20

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	742,844	136,155	878,998	1,298,170	2,177,168
Other receivables	17,918		17,918		17,918
Deposits			-	14,155	14,155
Other current assets	91,689		91,689	3,510	95,199
Current assets	852,451	136,155	988,605	1,315,834	2,304,439
Deferred revenue	-		-		-
Current liabilities	(164,701)		(164,701)	(9,671)	(174,372)
Fund Balance	687,749	136,155	823,904	1,306,163	2,130,067
Fund balance					
Beginning Balance	586,394	86,684	673,078	679,756	1,352,834
Net Income (loss)	850,826		850,826		850,826
Transfer to capital reserves	(700,000)		(700,000)	700,000	-
Collected		219,000	219,000	418,608	637,608
Cash impact of the working capital fund	(49,471)		(49,471)		(49,471)
Interest			-	4,574	4,574
Capital projects		(169,529)	(169,529)	(496,775)	(666,305)
Fund balance	687,749	136,155	823,904	1,306,163	2,130,067
Two months of assessments					
	649,400				
Excess (deficit) operating reserves	38,349				

Paseo Master HOA  
Income Statement  
As of 12.31.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	287,521	287,522	(1)	3,450,255	3,450,253	2
Reserve dues	-	-	-	418,608	418,608	-
Interest income	1,877	500	1,377	10,793	6,000	4,793
Events	-	700	(700)	-	12,000	(12,000)
Retail items	1,213	1,000	213	16,260	8,000	8,260
Amenities and other	689	1,223	(534)	16,469	23,676	(7,207)
Food and beverage	77,008	130,381	(53,373)	806,955	1,151,072	(344,117)
Capital assessments	7,850	-	7,850	169,529	-	169,529
Income	376,158	421,326	(45,168)	4,888,868	5,069,609	(180,741)
Legal	435	3,000	2,565	3,433	36,000	32,567
Other administrative	11,201	6,325	(4,876)	83,339	84,922	1,583
Bulk Cable	101,655	100,275	(1,380)	588,174	579,892	(8,282)
Utilities (other)	17,269	20,146	2,877	211,794	238,400	26,606
Contracts	4,270	6,574	2,304	61,921	77,468	15,547
Insurance	5,577	5,527	(50)	65,708	66,269	561
Lifestyle park	1,300	212	(1,088)	1,300	2,500	1,200
Cost of sales	24,696	51,989	27,294	315,097	456,134	141,037
Food and beverage supplies	17,172	24,813	7,641	165,996	229,408	63,412
Entertainment	6,474	8,750	2,276	44,489	60,000	15,511
Other amenities	9,137	9,942	805	98,705	118,540	19,835
Retail items	1,972	1,000	(972)	13,425	8,000	(5,425)
Pool (other)	3,913	7,406	3,494	57,512	88,850	31,338
Landscaping	10,023	10,939	916	143,633	131,400	(12,233)
Maintenance	22,501	9,035	(13,466)	131,414	107,420	(23,994)
Payroll	-	-	-	-	-	-
Food and beverage	72,727	82,796	10,069	706,931	856,848	149,917
Member services	10,634	11,005	371	80,973	107,873	26,900
Pool monitor	8,362	12,193	3,831	99,602	130,550	30,948
Administration	35,922	38,022	2,100	417,865	426,791	8,926
Maintenance	17,765	24,045	6,280	208,065	270,465	62,400
Capital reserves	-	-	-	418,608	418,608	-
Capital projects	7,850	-	(7,850)	169,529	-	(169,529)
Expenses	390,854	433,994	43,141	4,087,513	4,496,338	408,825
Net Income (loss) - normal operations	(14,695)	(12,668)	(2,027)	801,355	573,271	228,084
Unusual items	-	-	-	-	-	-
Change in accounting for Hotwire free service	-	(4,178)	(4,178)	-	467,965	467,965
Excess assessments for Comcast at Hotwire rates	-	105,306	105,306	-	105,306	105,306
Cash recognition of working capital assessments	(23,650)	-	23,650	(49,471)	-	49,471
Net Income (loss) per KW statements	8,955	(113,796)	122,751	850,826	(0)	850,826

Paseo Master HOA  
Income Statement  
As of 12.31.20

Working Capital projects

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
LED lighting project			-	2,325		(2,325)
Tiki lighting			-	6,385		(6,385)
Acoustic panels for the pub			-	3,183		(3,183)
Door between the kitchen and bistro			-	1,182		(1,182)
Aerobic pac dumbbells			-	1,214		(1,214)
Spa Barber chairs (3)			-	746		(746)
Eversafe storage building			-	13,983		(13,983)
Bocce shade structures			-	24,379		(24,379)
Landscaping bocce/shed			-	4,770		(4,770)
Firepit (net cost)			-	3,217		(3,217)
Retaining wall stone			-	4,250		(4,250)
Power wash circle drive			-	7,150		(7,150)
Emergency lighting			-	11,311		(11,311)
Sound system antenna kit			-	571		(571)
Fix low spot in pavers (circle)			-	6,000		(6,000)
Convert kiddie splash pad to geothermal			-	6,906		(6,906)
Pickleball lines, net and fence	850		(850)	2,263		(2,263)
Tennis fencing repairs			-	8,550		(8,550)
Pickleball fencing repairs			-	2,850		(2,850)
Furniture removal (dumpsters)			-	3,285		(3,285)
Café and ice cream cabinets			-	8,362		(8,362)
Lagoon pool additional lighting			-	1,213		(1,213)
Pool table			-	2,350		(2,350)
Level pavers and fix pool deck draining issues	7,000		(7,000)	7,000		(7,000)
Variable Frequency Drives			-	21,592		(21,592)
Infrared tiki heaters			-	4,655		(4,655)
Smoking section screening			-	309		(309)
Landscape lighting - Lap Pool			-	4,551		(4,551)
Portable lighting			-	4,977		(4,977)
	7,850	-	(7,850)	169,529	-	(169,529)

Paseo Master HOA  
Food and Beverage  
As of 12.31.20

	Month-to-Date			Year-to-Date			12.31.19			%			
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change					
Food Sales	32,426	75,125	(42,699)	398,932	604,750	(205,818)	582,215	(183,283)	-31.5%	572,330	561,133	582,215	398,932
Bar Sales	44,582	55,256	(10,674)	408,023	546,322	(138,299)	530,384	(122,362)	-23.1%	481,545	513,011	530,384	408,023
Total Sales	77,008	130,381	(53,373)	806,955	1,151,072	(344,117)	1,112,599	(305,644)	-27.5%	1,053,875	1,074,144	1,112,599	806,955
Cost of goods sold													
Food	9,133	31,547	22,414	178,494	253,995	75,501	260,861	82,367	31.6%	229,819	223,887	260,861	178,494
Bar	15,563	20,442	4,880	136,603	202,139	65,536	192,433	55,830	29.0%	154,887	191,627	192,433	136,603
Total COGS	24,696	51,989	27,294	315,097	456,134	141,037	453,293	138,196	30.5%	384,707	415,514	453,293	315,097
Supplies	17,172	24,813	7,641	165,996	229,408	63,412	237,628	71,632	30.1%	193,379	221,200	237,628	165,996
Labor	72,727	82,796	10,069	706,931	856,848	149,917	841,451	134,520	16.0%	930,803	811,841	841,451	706,931
Total direct expenses	114,595	159,598	45,004	1,188,024	1,542,390	354,366	1,532,372	344,348	22.5%	1,508,888	1,448,556	1,532,372	1,188,024
Direct loss	(37,586)	(29,217)	(8,369)	(381,070)	(391,318)	10,248	(419,773)	38,704	-9.2%	(455,013)	(374,411)	(419,773)	(381,070)
Direct cost recovery	67.2%	81.7%	-14.5%	67.9%	74.6%	-6.7%	72.6%			69.8%	74.2%	72.6%	67.9%
Cost of goods sold													
Food	28.2%	42.0%	13.8%	44.7%	42.0%	-2.7%	44.8%			40.2%	39.9%	44.8%	44.7%
Bar	34.9%	37.0%	2.1%	33.5%	37.0%	3.5%	36.3%			32.2%	37.4%	36.3%	33.5%
Total	32.1%	39.9%	7.8%	39.0%	39.6%	0.6%	40.7%			36.5%	38.7%	40.7%	39.0%
Supplies	22.3%	19.0%	-3.3%	20.6%	19.9%	-0.6%	21.4%			18.3%	20.6%	21.4%	20.6%
Labor	94.4%	63.5%	-30.9%	87.6%	74.4%	-13.2%	75.6%			88.3%	75.6%	75.6%	87.6%
Food	-	(0.00)	0.00	-	-	-							
Rate			4,484			(10,942)							
Volume			17,930			86,444							
Bar													
Rate			931			14,365							
Volume			3,949			51,171							
COGS Variance			27,294			141,037							

Paseo Master HOA  
Working Capital Fund

Balance as of 12.31.19			86,684
Closings (sales) 2020	146	1,500	219,000
2020 Projects	Paid	O/S	
LED lighting project	(2,325)		(2,325)
LED Tiki lighting	(6,385)		(6,385)
Acoustic panels for the pub	(3,183)		(3,183)
Door between the kitchen and bistro	(1,182)		(1,182)
Aerobic pac dumbbells	(1,214)		(1,214)
Spa Barber chairs (3)	(746)		(746)
Eversafe storage building	(13,983)		(13,983)
Bocce shade structures	(24,379)		(24,379)
Landscaping bocce/shed	(4,770)		(4,770)
Firepit (net)	(3,217)		(3,217)
Retaining wall stone	(4,250)		(4,250)
Power wash circle drive	(7,150)		(7,150)
Emergency lighting	(11,311)		(11,311)
Sound system antenna kit	(571)		(571)
Fix low spot in pavers (circle)	(6,000)		(6,000)
Convert kiddie splash pad to geothermal	(6,906)		(6,906)
Pickleball lines, net and fence	(2,263)		(2,263)
Tennis fencing repairs	(8,550)		(8,550)
Pickleball ball fencing repairs	(2,850)		(2,850)
Furniture removal (dumpsters)	(3,285)		(3,285)
Café and ice cream cabinets	(8,362)		(8,362)
Lagoon pool additional lighting	(1,213)		(1,213)
2nd pool table	(2,350)		(2,350)
Level pavers and fix pool deck draining issues	(7,000)		(7,000)
Variable Frequency Drives	(21,592)		(21,592)
Infrared tiki heaters	(4,655)		(4,655)
Smoking section screening	(309)		(309)
Landscape lighting - Lap Pool	(4,551)		(4,551)
Portable lighting	(4,977)		(4,977)
Available balance 12.31.20	(169,529)	-	136,155
Closings since prior month end	7	1,500	10,500
Pending properties	28	1,500	42,000
Estimated additional 2021 sales	49	1,500	73,500
Working capital available for 2021			<u>262,155</u>

**Priority items**

Extra weight for the strength machines	2,057
Bar stools for Bistro serving table	5,000
Restructure serving station (Tiki)	40,000
Walk-in freezer - Tiki kitchen	10,000
Tiki kitchen AC	10,000
Landscaping upgrades at the VC with new vendor	10,000
Additional parking by tennis courts 5 and 6	30,000
Wireless microphones - theater	7,200
Gym stair stepper	5,895
Gym rowing machine	1,595
Transfer to replacement reserves	100,000

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**221,747**

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**Other items**

Generator	50,000
Additional golf cart parking by fishing pier	40,000
Member services upgrade - cabinet and storage	10,000
Gym Spin bikes (5)	8,831

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**108,831**

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**Subject to COA approval**

Pickleball courts	50,000
Lifestyle Bathroom and water station	50,000
Playground	20,000
Putting green	10,000

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**130,000**

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Current Month			Year to Date			Average per Month		
Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance

Bulk Cable	101,655	100,275	(1,380)	588,174	579,892	(8,282)	49,014	48,324	(690)
Administration	47,557	47,347	(210)	504,637	547,713	43,076	42,053	45,643	3,590
Replacement Reserves	-	-	-	418,608	418,608	-	34,884	34,884	-
Maintenance	40,266	33,080	(7,186)	339,479	377,885	38,406	28,790	31,490	3,201
Food and Beverage	37,586	29,217	(8,369)	381,070	391,318	10,248	31,756	32,610	854
Utilities	17,269	20,146	2,877	211,794	238,400	26,606	17,649	19,867	2,217
Amenity Access	8,362	12,193	3,831	99,602	130,550	30,948	8,300	10,879	2,579
Landscaping	10,023	10,939	916	143,633	131,400	(12,233)	11,969	10,950	(1,019)
Member Services	10,634	11,005	371	80,973	107,873	26,900	6,748	8,989	2,242
Pool	3,913	7,406	3,494	57,512	88,850	31,338	4,793	7,404	2,612
Entertainment	6,474	8,750	2,276	44,489	60,000	15,511	3,707	5,000	1,293
Insurance	5,577	5,527	(50)	65,708	66,269	561	5,476	5,522	47
Management Contract	3,672	3,672	(0)	42,668	42,666	(2)	3,556	3,556	(0)
Tennis (net)	4,049	4,607	558	51,296	45,542	(5,754)	4,275	3,795	(479)
IT Services	4,05	2,700	2,295	16,947	32,400	15,453	1,412	2,700	1,288
Café	2,407	2,500	94	21,744	24,000	2,256	1,812	2,000	188
Events (net)	268	300	33	7,114	6,000	(1,114)	593	500	(93)
Retail (net)	759	-	(759)	(2,835)	-	2,835	(236)	-	236
Other	1,341	526	(815)	(5,104)	6,224	11,328	(425)	519	944
Total	302,217	300,190	(2,026)	3,067,507	3,295,590	228,083	255,626	274,633	19,007

Per Unit	88.70	87.50	(1.20)	513.24	506.01	(7.23)	42.77	42.17	(0.60)
Bulk Cable	41.50	41.32	(0.18)	440.35	477.93	37.59	36.70	39.83	3.13
Administration	-	-	-	365.28	365.28	-	30.44	30.44	-
Maintenance	35.14	28.87	(6.27)	296.23	329.74	33.51	24.69	27.48	2.79
Food and Beverage	32.80	25.49	(7.30)	332.52	341.46	8.94	27.71	28.46	0.75
Utilities	15.07	17.58	2.51	184.81	208.03	23.22	15.40	17.34	1.93
Amenity Access	7.30	10.64	3.34	86.91	113.92	27.01	7.24	9.49	2.25
Landscaping	8.75	9.55	0.80	125.33	114.66	(10.67)	10.44	9.55	(0.89)
Member Services	9.28	9.60	0.32	70.66	94.13	23.47	5.89	7.84	1.96
Pool	3.41	6.46	3.05	50.18	77.53	27.35	4.18	6.46	2.28
Entertainment	5.65	7.64	1.99	38.82	52.36	13.53	3.24	4.36	1.13
Insurance	4.87	4.82	(0.04)	57.34	57.83	0.49	4.78	4.82	0.04
Management Contract	3.20	3.20	(0.00)	37.23	37.23	(0.00)	3.10	3.10	(0.00)
Tennis (net)	3.53	4.02	0.49	44.76	39.74	(5.02)	3.73	3.31	(0.42)
IT Services	0.35	2.36	2.00	14.79	28.27	13.48	1.23	2.36	1.12
Café	2.10	2.18	0.08	18.97	20.94	1.97	1.58	1.75	0.16
Events (net)	0.23	0.26	0.03	6.21	5.24	(0.97)	0.52	0.44	(0.08)
Retail (net)	0.66	-	(0.66)	(2.47)	-	2.47	(0.21)	-	0.21
Other	1.17	0.46	(0.71)	(4.45)	5.43	9.88	(0.37)	0.45	0.82
Total	263.71	261.95	(1.77)	2,676.71	2,875.73	199.03	223.06	239.64	16.59